BEST AVAILABLE COPY

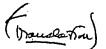
58/57

17. Engineer Frederico SCHWEED

SCHMEND alias SS-Sturmbannfuchrer (Bolaillen CO) HENDIG is a native Auptrian and lives in Northern Italy (Abbasia), so that he aguired after 1918 Italian citizenship. He spens a number of years in the United States where he visited his two aunts, the famous "Grain Queens" of New York (their name I do not recall) and joined their business. Upon his return to Italy he became the European property administrator of this concern. At that time he was already a dollar millionaire. In 1939 SCHHEND became acquainted with SS-Hauptsturnfuebrer (Comp. CO) Dr. CROEBL and became very good friends. He also worked for CROERL in the intelligence field, however with little success, since his rajor talent was in the business field. In the interin Group VI F, organized by the first Group of HAUJORS, had begun to produce counterfeit pound notes (in denominations of 5, 10, 20 and 50 pound notes). On Dr. CROKEL's suggestions SCHHILD and SCHELLENHERG were charged with the sale of the money. Since the notes had turned out very well SCHREND was able to get rid of 100,000 potnis very quickly and purchased from the earnings gold and other hard foreign currency on the black market.

After GROEBL was killed in September 1943 by partisans -- SCHMEND was driving with him at the time and also wounded -- I, in my capacity as Italian desk chief, established the connection between SCHMEND and the Office VI Wi, SS-Sturmbannfuchrer Dr. ZEIDLER. Beyond that I had nothing







Declassified and Approved for Release by the Central Intelligence Agency
Date: 2001

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
BOURCES METHODS EXEMPTION 3 B 2 B
NAZI WAR CRIMES DISCLOSURE ACT NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

DESTAVALABLE COPY

Section 2

more to do with the matter and lost contact with SCHWEND when I turned over the Italian desk in December 1943 completely for a time. When the plan developed to establish a national partisan group in Macedonia and weapons and equipment were needed for it, I suggested that SCHWEND be charged with this responsibility since he seemed especially suited for this. SCHWEND did procure carloads of weapons, munitions, and other equipment which he purchased from the Italian partisans for counterfeit pound notes though his agents. During the last month of 1944 it became ever more difficult to purchase gold and foreign currency on the black market and because of this SCHWEND first shifted to purchasing goods on the Italian black market which he then turned over to the Reich Security Main Office for the counterfeit pound notes (such as leather textiles, etc).

A serious dispute had meanwhile broken out to the support [? of SCHWEED?] since the VI Wi as well as the adjulant for administrative questions attached to KALWENDRUBHER, SCHWIDLER, and the chief of office claimed.

II SS-Oberfushrer () SPACIL blassed jurisdiction. Following a decision by Dr. KALWENDRUBHER, SPACIL was made responsible and thereafter worked very closely with SCHWEED.

SECRET

رِي

ESTATILISE COPY

SECRÉT,

I get SCHMEED in March of 1945 again whem, arriving from Switzerland, I was driving to MERAN and looked for him there. SCHMEND told me that he was trying to bring about a capitalstion of the German Army group in Italy and that SS-Obergruppenführer WOLFF was assisting in establishing of contact to American Officers in Switzerland (to A. Dulles). SCHOLAND made confact with American Officers, through his friend the former German Consul General in Hollywood Dr. GYBLIEG, who had numerous American friends. Another colleage of SCHAED's -- by the way also in the economic sector -- was the representative of the international Red Cross in MERAE, Jacques van HARTHE (Jewish), whom I had gotten out of Budapest and sent to SCHWEID. In connection with my second trip to Switzerland in April 1955 I again drove to SCHEED on my way back, whom I had briefed in the maintime concerning my activities and ascertained that he continue to be very active. He had taken up contact with the lesdership of the Italian national partisons for a smooth transfer of South Tirol in case of a German collapse. The leader of these partisons, De ANGELI, seems to have been limison officer for WOLFF to General CLARK which prompted me to conclude that SCHARRO also had established this contact. Concerning his further fate, I do not anything more than a nove report over the radio that he had been arrested.

SCHEED is a highly gifted businessman with a good but of adventurism in him who particularly enjoys to drive around in the middle of rebellious area and to deal with the most roughest partisan leaders. In so drives he was less concerned with the profit than with the adventure of the affair.

SSAET,

Declassified and Approved for Release by the Central Intelligence Agency Date: 2001

NAZI WAR CRIMES DISCLOSURE ACT

The second second

DEST AVAILABLE GOPY

In his political orientation I consider him for assemble regular. He was never a party number nor with the SS, but was given permission by SPACIL to use the rank and name of SS-Sturmbammführer WEEDIG for as a signature since his transport required a platoon of weapon SS and gave him the necessary authority thereto.

I know nothing further about his American connections, however, I know from Dr. GRÖBL that he had even then connections. I do not believe, however, that he was in direct American service, but instead that they were acquaintaines from his stay in the URA.

Insofer as the counterfeiting of moneys of the Office VI is concerned, I know that in addition to pounds dollars were also produced which were released for the first time in early 1945 but they were so bads that they could not be sold. The Military Counter-Intelligence however was supposed to have been producing counterfeit dollars for some years as well as phony precious stones. The phony gold pieces which were put into circulations for the last year [probably means as the phony year] according to SCHARD, originated from the English Intelligence Service. The instruments for the production of counterfeit pound notes were shipped shortly before the capitulation to Austria in the vicinity of the TRAMBERS's where the counterfeit money was glunk by the cases and later found by American Officers.

This I know from a Capitain by name of MATHIESS or something like that, whom I not on my arrival in MAMBERG and whom I also saw in the artillery common. The other reserves of gold and foreign currency, SPACIL brought to TIROU, I consider it for absolutely impossible that SCHWERD bribed ar

BEST AVAILABLE COPY

members of the Offices VI, especially Dr. MAINT RRUBER, since I know how correct the latter was in matters extended money. It of course goes without saying that SS-Strumbannführer WARCK nor I received anything in anything from SCHHEED. Proof of WARCK's correctness in such magazy is the following fact: At Christmas 1944 SCHHEED sent WARCK, SS-Sayotsturmführer FRUMLICH, who in my absence took over the goods and weapons transport for the Macchanical corps of volunteers in Vienne, and for myself, a briefcess each. WARCK at that time asked me to write a latter immediately to SCHHEED that he tell him the cost for it. I do not believe that SCHHEED made any unservery transactions ever with SPACIL.

During my last stay in Switzerland I familiarized the known American gentlemen with the name of SCHMEND, since he could provide valuable services. It was agreed that SCHMEND should bring the American parachute agent.

First Lieutenant Fred MAYER, whom I had liberated from GENAPO arrest in INDESHRUCK, over the border to Switzerland. SCHMEND had already visited MAYER in prison. Whether it ever came to the trip to Switzerland, I do not know, however, I believe not since MAYER who had political tasks at this time could not go away.